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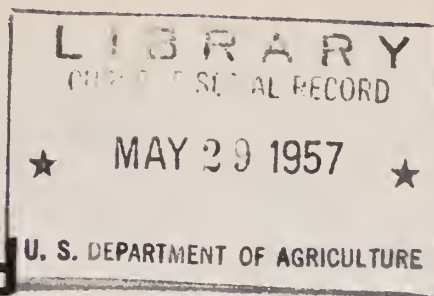
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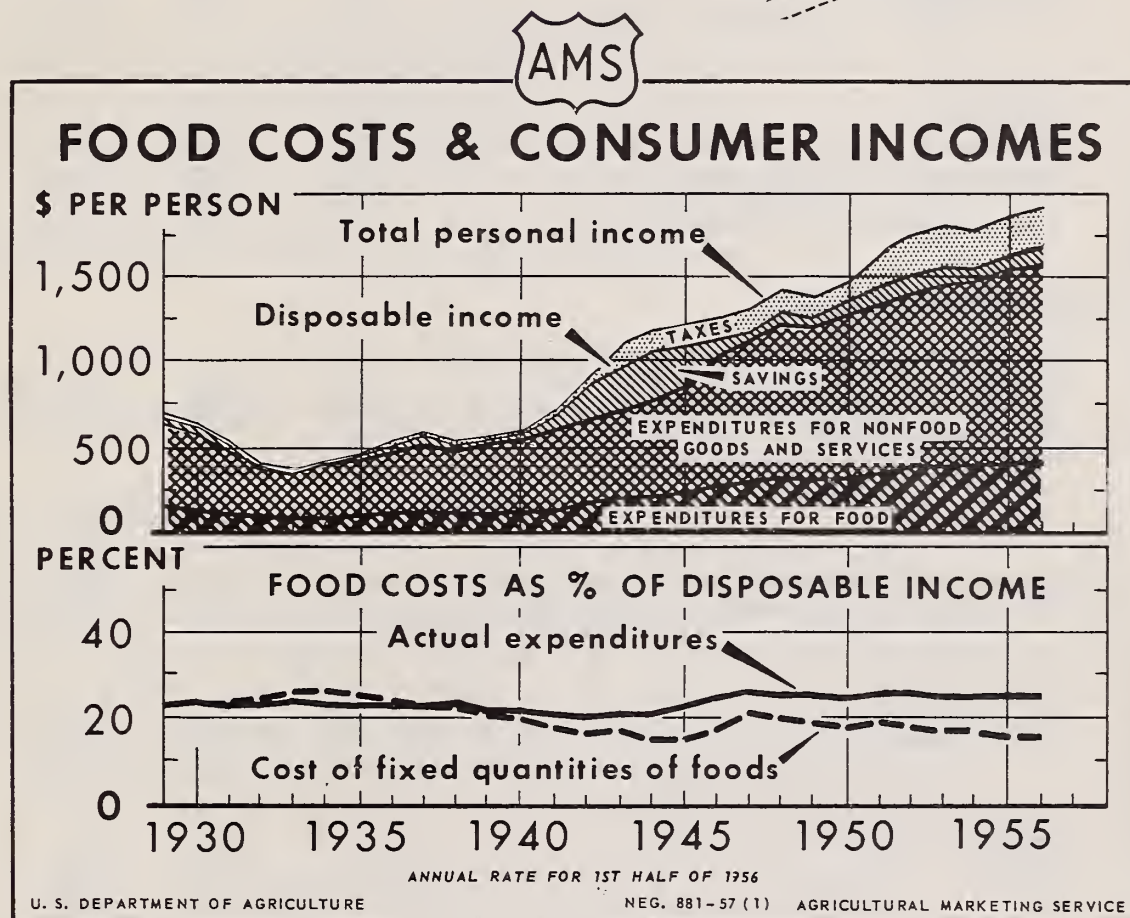
The MARKETING and TRANSPORTATION SITUATION

MTS-125



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MAY 28, P. M.
1957

In this issue:
Recent Developments in Transportation
Status of Small Poultry Processors in
New England



As their incomes have risen, consumers have spent more for food, including that bought in restaurants and other eating places. They spent an average of \$419 per person in 1956, compared with \$336 in 1950. This increase resulted partly from consumers buying more food but also from their

buying more expensive food and more marketing services.

Consumers spent 25 percent of their disposable income for food in 1956 but food of the same type and quantity per person as they bought in 1935-39 would have taken only 16 percent of their income.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period:	1956					1957
		Year	Jan.-Mar.	July-Sept.	Oct.-Dec.	Jan.-Mar.	
<u>Farm-to-retail price spreads</u>							
Farm-food market basket: <u>1/</u>							
Retail cost	Dol.	976	949	996	987	988	
Farm value	Dol.	390	370	404	393	386	
Marketing margin	Dol.	586	579	592	594	602	
Farmer's share of retail cost	Pct.	40	39	41	40	39	
Cotton: <u>2/</u>							
Retail cost	Dol.	55.86	55.52	55.96	56.22	---	
Farm value	Dol.	7.07	7.08	7.03	6.97	---	
Marketing margin	Dol.	48.79	48.44	48.93	49.25	---	
Farmer's share of retail cost	Pct.	13	13	13	12	---	
Tobacco: <u>3/</u>							
Retail cost	Dol.	3.45	---	---	---	---	
Farm value	Dol.	.55	---	---	---	---	
Federal and State excise taxes	Dol.	1.37	---	---	---	---	
Marketing margin excluding excise taxes	Dol.	1.53	---	---	---	---	
Farmer's share of retail cost	Pct.	16	---	---	---	---	
<u>General economic indicators</u>							
Consumers' per capita income and expenditures: <u>4/</u>							
Disposable personal income	Dol.	1,705	1,676	1,709	1,731	1,736	
Expenditures for goods and services	Dol.	1,580	1,565	1,582	1,599	1,616	
Expenditures for food	Dol.	419	415	421	421	427	
Expenditures for food as percentage of disposable income	Pct.	25	25	25	24	25	
		1956		1957			
		Year	Mar.	Jan.	Feb.	Mar.	
Hourly earnings per employed factory worker <u>5/</u> ...	Dol.	1.98	1.95	2.05	2.05	2.05	
Hourly earnings of food marketing employees <u>6/</u> ...	Dol.	1.82	1.80	1.88	1.89	1.88	
Retail sales: <u>7/</u>							
Food stores	Mil. dol.	3,828	3,756	3,969	3,965	3,962	
Apparel stores	Mil. dol.	963	916	980	992	956	
Manufacturers' inventories: <u>7/</u>							
Food and beverage	Mil. dol.	4,563	4,391	4,712	4,706	4,779	
Textile	Mil. dol.	2,566	2,457	2,672	2,655	2,614	
Tobacco	Mil. dol.	1,852	1,870	1,942	1,965	2,002	
Indexes of industrial production: <u>8/</u>							
Food and beverage manufactures	1947-49=100:	113	112	111	112	113	
Textiles and apparel	do.	108	107	104	105	108	
Tobacco manufactures	do.	107	105	112	116	---	
Index of physical volume of farm marketings	do.	119	89	119	95	91	
<u>Price indexes</u>							
Consumer price index <u>5/</u>	1947-49=100:	116	115	118	119	119	
Wholesale prices of food <u>5/</u>	do.	101	99	102	102	101	
Wholesale prices of cotton goods <u>5/</u>	do.	93	94	92	92	91	
Wholesale prices of woolen and worsted goods <u>5/</u> ..	do.	104	102	109	110	109	
Prices received by farmers <u>9/</u>	do.	87	84	88	86	87	
Prices paid by farmers <u>9/</u>	do.	110	109	112	113	113	

1/ Average quantities of farm food products purchased per wage-earner and clerical-worker family in 1952.

2/ 42 cotton articles of clothing and housefurnishings, weighted by average annual quantities bought by wage earners and clerical workers as reported in 1934-36 survey. Data are for last month of quarter. 3/ 4 tobacco products from 1 pound of leaf tobacco (farm-sales weight), weighted by leaf equivalent of tax-paid withdrawals. Preliminary data for the fiscal year beginning July 1956. 4/ Seasonally adjusted annual rates, calculated from Dept. of Commerce data. 5/ Dept. of Labor. 6/ Weighted composite earnings in food processing, wholesale trade, retail food stores, calculated from data of Dept. of Labor. 7/ Seasonally adjusted, Dept. of Commerce. Annual data for 1956 are on an average monthly basis. 8/ Seasonally adjusted, Board of Governors of Federal Reserve System. 9/ Converted from 1910-14 base.

THE MARKETING AND TRANSPORTATION SITUATION

Approved by the Outlook and Situation Board May 21, 1957

CONTENTS		
		<u>Page:</u>
Farm-Retail Price Spreads for Farm Food Products .	3	:
Consumer Incomes and Expenditures	8	:
Net Income of Firms Marketing Farm Products	10	:
Recent Developments in Transportation	11	:
Status of Small Poultry Processors in New England	15	:
Selected New Publications	21	:
Quarterly Data for Farm Food Market Basket	23	:

FARM-RETAIL PRICE SPREADS FOR FARM FOOD PRODUCTS

Highlights

Charges for marketing farm-produced food items were 4 percent higher in the first quarter of this year than in the same period of 1956. Prices received by farmers for these products were 5 percent higher than a year earlier and retail prices paid by consumers for farm food products were up 4 percent. Higher prices for meat and meat animals accounted for much of the rise in consumers' and farmers' prices.

Compared with the final quarter of 1956, marketing charges in the first quarter were a little higher, but prices farmers received were down 2 percent and retail prices were scarcely changed.

Operating costs of food marketing firms generally were higher in the first quarter than they were a year earlier. Hourly earnings of food marketing employees averaged about 5 percent higher. Transportation charges were up, and railroads have asked the Interstate Commerce Commission for further increases in freight rates. Prices of supplies, equipment, and other things marketing firms buy generally increased during last year. Further increases are likely in marketing charges during 1957, mainly because of prospective advances in costs.

Consumer incomes are expected to be somewhat higher in 1957 than in 1956, and increased expenditures for food are in prospect.

Table 1.- The farm food market basket: Retail cost, farm value, marketing margin, and farmer's share of retail cost, 1947-57

Year and month	Retail cost 1/ Dollars	Farm value 2/ Dollars	Marketing margin Dollars	Farmer's share Percent
1935-39 average ...:	3/	3/	3/	40
1947	932	471	461	51
1948	994	498	496	50
1949	939	435	504	46
1947-49 average ...:	955	468	487	49
1950	924	432	492	47
1951	1,026	495	531	48
1952	1,035	482	553	47
1953	1,010	450	560	45
1954	993	425	568	43
1955	975	396	579	41
1956 <u>4/</u>	976	390	586	40
<u>1956</u>				
Jan.	951	369	582	39
Feb.	946	366	580	39
Mar.	949	374	575	39
Apr.	956	382	574	40
May	968	396	572	41
June	991	405	586	41
July	1,005	409	596	41
Aug.	991	403	588	41
Sept.	991	400	591	40
Oct.	991	397	594	40
Nov.	984	390	594	40
Dec.	984	392	592	40
<u>1957</u>				
Jan.	984	390	594	40
Feb.	993	381	612	38
Mar.	987	387	600	39

1/ Retail cost of average quantities of farm foods purchased per urban wage-earner and clerical worker family in 1952, calculated from retail prices collected by the Bur. of Labor Statistics.

2/ Payment to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing.

3/ Comparable dollar figures not available. The farmer's share and index numbers of the retail cost, farm value, and marketing margin for the years 1913-52 were published in the Apr. 1956 issue of this Situation.

4/ Preliminary estimates.

: Current data are given in the Statistical Summary, :
: a monthly publication of the Agricultural Marketing Service.:
:

Marketing Charges Increase, Farm Value Down
from Previous Quarter Levels

Charges for assembling, processing, and distributing farm food products as measured by the marketing margin of the "market basket," increased slightly during the first quarter of this year. ^{1/} The marketing margin was at an annual rate of \$602 compared with \$594 in the final quarter of 1956. ^{2/} (See table on inside of front cover.) Marketing charges were slightly higher for all product groups except poultry and eggs (table 11, p. 25).

The increase in the marketing margin above the final quarter of 1956 was accompanied by a 2 percent decrease in the farm value or payment that farmers received for farm products equivalent to the foods in the market basket. A decrease of 5 percent in the farm value for poultry and eggs was the largest for the product groups (table 10, p. 24). The total retail cost of the market basket of farm foods was about the same in the first quarter as in October-December 1956.

Marketing Charges, Farm Value, and Retail Cost
Higher than a Year Earlier

The marketing margin for the market basket was 4 percent higher in the first quarter of this year than in the same period of 1956. After reaching a new high in the final quarter of 1955, the marketing margin decreased during the first 5 months of 1956. But it rose sharply in June and July and again in the fall. The average for the fourth quarter was about the same as in the like period of 1955. Marketing margins for each product group were higher in the first quarter of this year than a year earlier. Increases ranged from 2 percent for the miscellaneous products to 9 percent for the fats and oils.

The farm value of the foods in the market basket was 5 percent higher in the first quarter than in the January-March period of 1956. Farm values were higher for all product groups except poultry and eggs and fruits and vegetables, but an increase of 23 percent for the meat products group from the comparatively low level early last year contributed most to the increase in the farm value of the market basket. Farmers received 39 cents of the

^{1/} The "market basket" contains the average quantities of farm-produced food products purchased for consumption at home by urban wage-earner and clerical-worker families in 1952. The retail cost of all foods bought per family is more than the retail cost of the "market basket" of farm foods, which does not include imported foods, fishery products, and other foods of nonfarm origin, or costs of meals purchased in public eating places. Additional information concerning the contents of the market basket and methods of estimating market-basket data was given in the Supplement to the July-Sept. 1953 issue of The Marketing and Transportation Situation. "Farm value" is the payment farmers received for the farm products equivalent to the foods in the market basket.

^{2/} The marketing margin is the difference between the retail price paid by the consumer and the payment to the farmer for equivalent farm products. It is an estimate of the charges made by marketing agencies for assembling, processing, transporting, and distributing the farm products.

dollar consumers spent for farm-produced food products in the first quarter of 1957, the same share as in January-March 1956. ^{3/}

Outlook for Marketing Margin During 1957

Average hourly earnings of employees in food-marketing enterprises increased in nearly every month of 1956 and averaged more than 5 percent higher in the first quarter of 1957 than a year earlier.

Railroads, trucking firms, and other freight carriers raised their rates during the last year (pp. 11 and 12). The Interstate Commerce Commission approved increases in charges for railroad refrigeration services and in railway express rates.

Prices of packaging materials, containers, fuel, machinery, motortrucks, and other items bought by marketing firms generally were higher than in the first quarter of 1956.

Charges for marketing food products, as measured by the market-basket marketing margin, probably will advance further this year. The full effect on marketing margins of recent increases in wages, prices, and other costs probably has not taken place. Wage rates probably will continue upward. Railroads are asking for further increases in freight rates. Prices of supplies and equipment and other costs may continue to advance. Marketing firms may be able to keep costs down to some extent by increasing output per man-hour and by other improvements in efficiency. Consumers probably will continue the present high level of expenditures for foods throughout 1957 (p. 8).

Profits of food-processing firms per dollar of sales averaged slightly higher in 1956 than in 1955 (p. 10).

Higher Marketing Margin, Farm Value, and Retail Cost for Beef and Pork

The retail cost and farm value of Choice grade beef increased 7 and 8 percent, respectively, from the first quarter of 1956 to the same period of this year, and the marketing margin increased by 6 percent. During this period, the live-wholesale segment of the marketing margin decreased but the wholesale-retail segment increased (table 2).

Farmers received substantially higher prices for hogs in the first quarter than in January-March 1956. The farm value of pork was up 42 percent from the average for the first quarter last year, which was the lowest quarterly average since World War II. The marketing margin was about 4 percent larger than a year earlier. This increase was in the wholesale-retail segment of the marketing margin (table 3), as the live-wholesale segment was a little smaller than in the first quarter of 1956.

^{3/} Estimates of the division of retail cost between farmers and marketing agencies are based on concurrent prices at the farm and retail levels, except for processed fruits and vegetables and sugar. During a period of rising prices, the farmer's share calculated on this basis is somewhat larger than the share derived by comparing prices received by farmers for particular lots of products with prices paid by consumers for the same lots after they have moved through the marketing system. The reverse is true in periods of declining prices.

Table 2.- Beef (Choice grade): Live-wholesale and wholesale-retail margins, by quarters, 1956 to date ^{1/}

Quarter	Live-wholesale (per 100 pounds live weight)					Wholesale-retail (per 100 pounds carcass weight)		
	Price of steers <u>2/</u>	Wholesale value			Margin	Wholesale price <u>4/</u>	Retail value <u>5/</u>	Margin
		Carcass <u>3/</u>	Byproducts	Total				
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
1956								
Jan.-Mar. ...	19.47	21.02	1.83	22.85	3.38	35.62	49.68	14.06
Apr.-June ...	20.30	20.79	2.00	22.79	2.49	35.24	50.05	14.81
July-Sept. ..	23.76	25.21	2.14	27.35	3.59	42.73	54.80	12.07
Oct.-Dec. ...	22.67	23.70	2.06	25.80	3.13	40.24	56.69	16.45
Average ..	21.55	22.68	2.01	24.70	3.15	38.46	52.80	14.34

1957								
Jan.-Mar.	20.84	21.48	1.92	23.40	2.56	36.40	53.09	16.69

^{1/} Quarterly data for 1949-55 are published in "Beef Marketing Margins and Costs," U. S. Dept. Agr. Misc. Pub. 710, Feb. 1956, tables 1 and 3.

^{2/} Weighted average of price at 21 leading public stockyards.

^{3/} Wholesale carcass value is 59 percent of average wholesale price of 100 pounds of Choice grade carcass beef.

^{4/} Weighted average of prices of Choice grade carcass beef in New York, Chicago, Los Angeles, San Francisco, and Seattle.

^{5/} Calculated from average retail prices of beef cuts in urban areas, published by Bur. of Labor Statistics. The retail value per 100 pounds carcass weight is 80 percent of average retail cost of 100 pounds of retail cuts, because about 20 pounds of a 100-pound carcass is fat, bone, and trim which is sold by retailers at nominal prices.

Table 3.- Pork: Live-wholesale and wholesale-retail margins, by quarters, 1956 to date ^{1/}

Quarter	Live-wholesale (per 100 pounds live weight)			Wholesale-retail (per 100 pounds major cuts)		
	Price of hogs ^{2/}	Wholesale value ^{3/}	Margin	Wholesale value ^{4/}	Retail value ^{5/}	Margin
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1956						
Jan.-Mar.	12.82	18.74	5.92	34.19	47.18	12.99
Apr.-June	16.42	21.31	4.89	39.13	51.62	12.49
July-Sept.	16.77	22.22	5.45	41.09	54.92	13.83
Oct.-Dec.	16.12	21.49	5.37	38.66	54.11	15.45
Average	15.53	20.94	5.41	38.27	51.96	13.69
1957						
Jan.-Mar.	17.76	23.45	5.69	43.21	56.57	13.36

^{1/} Quarterly data for 1949-55 are published in "Pork Marketing Margins and Costs," U. S. Dept. Agr. Misc. Pub. 711, Apr. 1956, tables 1 and 2.

^{2/} Average price of 200-220 pound barrows and gilts, Chicago.

^{3/} Wholesale value at Chicago of 71 pounds of pork and lard obtained from 100 pounds of live hog.

^{4/} Wholesale value of 100 pounds of major pork cuts at Chicago computed from Livestock Market News and National Provisioner price quotations of individual cuts.

^{5/} Calculated from average retail prices of major pork cuts in urban areas, published by Bur. of Labor Statistics.

Prices of Frying Chickens and Eggs Lower than Year Ago

Prices of frying chickens at both farm and retail levels were lower in January-March 1957 than in the same months last year. Increases during the first quarter of this year did not offset the large decreases in the second half of 1956. The marketing margin was about the same in the first quarter of 1957 as it was a year earlier.

Prices received by farmers for eggs and retail prices were both much lower in the first quarter of 1957 than a year earlier. Prices did not recover from sharp decreases early in 1956 and declined further in November and December and in January of this year. The marketing margin was wider in the first quarter than in the same period of last year.

CONSUMER INCOMES AND EXPENDITURES

In recent years consumer expenditures for food, tobacco, and clothing have increased by about the same proportion as disposable income since the proportions of their income consumers spent for these products have not changed much from year to year. Since 1950 they have spent between 24 and 26 percent of their income for food, 7.5 to 9.0 percent for clothing and shoes, and about 2.0 percent for tobacco. Consumer incomes are expected to be somewhat higher in 1957 than in 1956, and increases in expenditures for these products are in prospect.

Disposable personal income (personal income less personal taxes) was at an annual rate of \$1,736 per person in the first quarter of this year, compared with \$1,731 in the previous quarter and \$1,676 in the first 3 months of 1956. The seasonally adjusted annual rate increased in each quarter of 1955 and 1956 (table 4). Real disposable income per person, however, has not changed significantly since 1955 because of advances in consumer prices, which averaged more than 3 percent higher in the first quarter of 1957 than in the corresponding months last year, according to the Bureau of Labor Statistics Consumer Price Index.

Consumer expenditures (seasonally adjusted) for goods and services were at an annual rate of \$1,616 per person in the first quarter, slightly more than in the preceding 3 months and 3 percent more than in January-March 1956. Much of this increase represented higher prices. Compared with a year earlier, expenditures per person in the first quarter of this year were up about 3 percent for nondurable goods and about 5 percent for services but were not significantly higher for durable goods. Personal savings on a per capita basis increased 8 percent.

Consumers spent an average of \$427 (annual rate, seasonally adjusted) per person for food in the first quarter, 3 percent more than a year earlier. An increase of about 4 percent in prices of food during the year apparently accounted for the increase in expenditures. Expenditures for food represented 25 percent of consumers' disposable income, the same proportion as in January-March 1956. However, the same quantity and types of food and services as those purchased during the prewar 1935-39 period would have cost only \$273, or 16 percent of consumer income (last two columns of table 4). The foods consumers actually bought cost more, mainly because of shifts in types purchased and increases in marketing services. Consumers now buy more meat, fruits and vegetables, and other comparatively expensive products and less of the cereals, potatoes, and other cheaper foods. They are buying more marketing services in the form of meals in restaurants and convenience foods.

Table 4.- Per capita food cost and expenditure related to disposable personal income, United States, average 1935-39, annual 1946-56

Year and quarter	Dispos- able personal income 1/	Total expendi- ture for: consumer: goods and services: 1/	Food expenditure			Cost to consumer of fixed quantities of food representing 1935-39 average annual consumption per person 2/	
			Actual 1/	Percentage of -		Actual	Percentage of disposable income
				Dispos- able income	Total expendi- ture for: goods and services:		
	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Percent
1935-39 av.:	514	493	118.6	23	24	118.6	23
1946	1,126	1,037	286	25	28	201	18
1947	1,173	1,145	316	27	28	244	21
1948	1,279	1,211	337	26	28	256	20
1949	1,261	1,211	327	26	27	243	19
1950	1,359	1,279	336	25	26	245	18
1951	1,465	1,350	378	26	28	274	19
1952	1,512	1,391	391	26	28	279	18
1953	1,568	1,444	395	25	27	272	17
1954	1,567	1,456	396	25	27	272	17
1955	1,637	1,536	405	25	26	266	16
1956	1,705	1,580	3/419	25	27	269	16
Annual rates, seasonally adjusted							
1955							
1st quarter:	1,586	1,502	3/395	25	26	267	17
2nd quarter:	1,628	1,527	3/403	25	26	268	17
3rd quarter:	1,652	1,556	3/410	25	26	268	16
4th quarter:	1,672	1,559	3/412	25	26	264	16
1956							
1st quarter:	1,676	1,565	3/415	25	27	262	16
2nd quarter:	1,698	1,572	3/417	25	27	269	16
3rd quarter:	1,709	1,582	3/421	25	27	273	16
4th quarter:	1,731	1,599	3/421	24	26	272	16
1957							
1st quarter:	1,736	1,616	3/427	25	26	273	16

1/ Computed from data of the Dept. of Commerce.

2/ Cost to consumers of quantities of food representing average annual consumption per person during 1935-39; calculated by applying to the actual 1935-39 expenditure for food (\$118.60) a consumer food price index which is a weighted average of indexes representing (a) retail food prices in urban areas (Bur. Labor Statistics), (b) retail food prices in rural areas (Agr. Market. Serv.), and (c) prices received by producers applied to foods consumed on farms where produced;

3/ Total for 1956 and quarterly data are estimates by the Agr. Market. Serv. from expenditures for food and alcoholic beverages reported by the Dept. of Commerce. Alcoholic beverages are not included in food expenditures.

NET INCOME OF FIRMS MARKETING FARM PRODUCTS, 1955 AND 1956

Total net income of the leading firms processing farm products was larger in 1956 than in 1955, according to data compiled by The First National City Bank of New York from financial reports published so far this year. The combined net income (after taxes) of 153 leading food manufacturing firms was 8 percent larger last year than in 1955 (table 5). Increases ranged from 4 percent for 18 corporations in the baking industry to 24 percent for 23 sugar refining companies.

Table 5.- Net income of leading corporations marketing agricultural products, 1955 and 1956

Industrial groups	: Number:		Reported net income after taxes					
	: of : : corpo- : rations:		Total		: As percentage : : of net assets 1/:		: As percentage : of sales	
			1955	1956	1955	1956	1955	1956
			dollars	dollars	Percent	Percent	Percent	Percent
Processing:	:	:	:	:	:	:	:	:
Baking	18	:	57,547	59,992	12.0	12.1	3.4	3.3
Dairy products	12	:	90,445	98,606	12.1	12.4	2.5	2.6
Meat packing	15	:	59,278	65,146	6.8	7.7	.8	.9
Sugar	23	:	32,054	39,833	5.5	6.7	3.2	3.7
Other food products :	85	:	307,228	326,089	11.8	11.8	4.0	4.2
Tobacco products ...:	18	:	162,849	173,006	11.7	12.0	5.0	5.1
Textile products ...:	80	:	174,434	186,953	6.3	6.6	4.1	3.6
Clothing and apparel:	48	:	28,536	32,984	6.9	7.7	3.1	3.2
Distributing:	:	:	:	:	:	:	:	:
Chain food stores ...:	27	:	97,474	123,379	13.5	15.5	1.2	1.4
Department and specialty stores ...:	59	:	182,629	196,866	10.2	10.4	2.9	2.9

1/ Book net assets at the beginning of the year are based on the excess of total balance-sheet assets over liabilities.

Compiled from "Monthly Letter, Business and Economic Conditions," The First National City Bank of New York, Apr. 1956.

Processors of nonfood farm products also had larger earnings in 1956 (table 5). The combined net income (after taxes) of 18 tobacco product manufacturers was 6 percent more than in 1955. That of 80 textile products manufacturers and 48 clothing and apparel manufacturers was up 7 percent and 16 percent, respectively.

The combined net income (after taxes) of 27 chain retail food store companies was 27 percent larger and that of 59 department and specialty store corporations was 8 percent larger in 1956 than in the preceding year.

Ratios of net income (after taxes) to book value of net assets and to sales generally increased from 1955 to 1956 (table 5). The largest increases among the food processing firms were for the sugar refining companies for which combined net income was 6.7 percent of net assets and 3.7 percent of net sales in 1956 compared with 5.5 percent and 3.2 percent, respectively, in 1955. Net income of the 80 manufacturers of textile products was lower in 1956 than in 1955 as a percentage of sales but was higher as a percentage of net assets.

RECENT DEVELOPMENTS IN TRANSPORTATION 1/

Freight Rate Increases

Shortly after the Interstate Commerce Commission authorized the railroads to increase freight rates by an average of 6 percent, effective March 7, 1956, the railroads petitioned the Commission for a further increase in freight rates.

The Commission currently has petitions before it for authorization of rail freight rate increases which would bring rates up 22 percent above the March 7, 1956, level on movements in Eastern and Western Territories and on interterritorial shipments. Railroads in the Southern Territory have asked for a total increase of 15 percent.

Pending the decision which will be made after full-scale hearings as to the total amount to be granted, the Commission authorized "emergency" increases to help the railroads meet increased wages and payroll taxes and higher costs of materials, supplies, and fuel. These increases amount to a maximum of 7 percent in Eastern Territory and a maximum of 5 percent on all other movements. The effective date was December 28, 1956, for all but movements within Southern Territory. For these, the effective date was March 10, 1957. The proposed increases of 22 percent and 15 percent would include these interim increases.

The Commission, in setting forth exceptions to the general increases, listed hold-downs to be imposed (regardless of distance) on carload shipments of specified agricultural commodities and allied products and on fertilizer materials. They are as follows:

<u>Commodity</u>	<u>Maximum increases authorized</u>
Fresh fruits, including citrus, and vegetables	7 cents per 100 pounds
Fresh fruits and vegetables, fruit or vegetable juices and concentrates, frozen or cold pack	
Melons	
Edible nuts	
Canned or preserved food products (not cold pack or frozen) in packages	
Sugar -- beet, cane, corn, invert, liquid, sorghum, and wheat	6 cents per 100 pounds
Sirup, grain unmixed (glucose)	
Grain, grain products, grain byproducts, and articles taking the same rates	5 percent
Livestock, meats, and packinghouse products	
Lard substitutes	
Vegetable oil shortenings	
Cotton in bales	8 cents per 100 pounds

1/ Prepared by Celia Sperling, Transportation Economist, Transportation and Facilities Branch, Agricultural Marketing Service.

<u>Commodity</u>	<u>Maximum increases authorized</u>
Lumber and articles listed in tariffs as taking lumber rates	6 cents per 100 pounds
Building woodwork and millwork, except when listed in tariffs as taking lumber rates	7 cents per 100 pounds
Phosphate rock not further processed than ground, including phosphatic clay and phosphoric sand	30 cents per net ton
Salt (sodium chloride) and articles listed in tariffs as taking salt rates	
Muriate of potash	50 cents per net ton
Manure salts	
Sulphate of potash	
Sulphate of potash magnesia	

Freight forwarders have requested authorization from the ICC to increase their rates by the same percentages as the railroads. They have, thus far, been granted the same interim increases as the railroads, and a decision as to the total authorization has yet to be made.

Practically all the regulated motor carriers have increased their rates by the same percentages as the railroads in the respective regions but without hold-downs.

Domestic water carriers have not yet joined the other modes of transportation in the current round of general freight rate increases.

New Legislation

In its 70th annual report, the Interstate Commerce Commission made 26 recommendations for new legislation. Bills have been introduced in both Houses to implement all of these recommendations but no action has as yet been taken in either House with regard to them. Some of these bills are of direct concern to agricultural haulers:

(1) Bills to amend Section 203(b)(6) of the Interstate Commerce Act. This section relieves interstate for-hire motor carriers of agricultural commodities or fish from economic regulation by the ICC (control over rates, routes, etc.). The proposed amendment would limit motor carriers hauling under the agricultural exemption to the first movement from the farm or wharf to the point where the commodities "first pass out of the actual possession and control of the producer." It would also specifically include live poultry in the exemption and specifically exclude frozen foods from it. (S.1689 and H.R. 5823.)

These bills would have the effect of narrowing the scope of the exemption. In recent decisions the Supreme Court has found the trucking of fresh and frozen dressed poultry and frozen fruits and vegetables to be exempt. The ICC considers these decisions to be an excessively liberal interpretation of the scope of the exemption. It now proposes, as it has a number of times before, that Congress restrict the exemption in two ways: (a) By retaining the present type of restriction -- in terms of the state of processing through which the commodities hauled have passed, and (b) by

adding to this limitation a further one -- in terms of the point within the marketing channel beyond which the exemption will not apply. The first type of restriction would be made more severe by the provision noted above that would exclude frozen foods from the benefits of the exemption. In like manner, the separate listing of live poultry -- hitherto covered by the general phrase "agricultural commodities" -- is presumably intended to support the re-introduction of ICC economic control over the trucking of dressed poultry, both frozen and fresh.

(2) Bills to require annual registration with the ICC of all those interstate motor carriers which are now subject to no regulations of the Commission other than those respecting qualifications and maximum hours of service of employees and safety of operation and equipment. This means private carriers and those for-hire carriers exempt by statute from economic regulation by the Commission. Truckers of farm products are but one of various groups of for-hire carriers thus exempt and hence covered by the proposed bills. Carriers would have to show name, location or principal address, and number of vehicles owned and operated. (S.1490 and H.R. 5664.)

These bills have met strong opposition from the carriers which would be subject to them. These carriers see this registration requirement as a first step in the direction of economic regulation.

(3) Bills to amend the definition of "private carrier by motor vehicle" given in Section 203(a)(17) of the Interstate Commerce Act. The present definition includes a carrier of property who is "the owner, lessee, or bailee, when such transportation is for the purpose of sale, lease, rent, or bailment, or in furtherance of any commercial enterprise." The new bills would add "that any such person who purchases, transports, and sells property for the purpose of fostering a highway transportation business is engaging in a public transportation service and shall, nevertheless, be included within the terms 'common carrier by motor vehicle' or 'contract carrier by motor vehicle.' " (S.1677 and H.R. 5825.)

The ICC states that a "buy and sell" transaction -- the trucker's purchase of the cargo at the origin and his sale of it at the destination -- which this amendment is designed to restrict is not legitimate private carriage. Instead, the Commission considers this a subterfuge to circumvent its regulation of for-hire carriers or to allow a consignee to obtain transportation at a reduced rate or to avoid the 3 percent transportation tax. The Commission claims that this practice is a menace to both carriers and shippers by promoting discrimination between shippers and threatening the existing rate structures.

(4) Bills to revise the definition of "contract carrier by motor vehicle." By present definition, any person engaged in interstate motor transportation for hire (except a common carrier) under individual contracts or agreements is a contract carrier. These bills would change the definition to state that transportation services which may be performed by contract carriers are those rendered under continuing contracts for one person or a limited number of persons and are services of a special and individual nature not provided by common carriers.

The ICC would be empowered to revoke the permits of contract carriers if they did not qualify under the new definition and, if they qualified as common carriers, to issue them certificates of public convenience and necessity to operate as such.

The Commission would be further empowered to limit the number or class of persons for which a contract carrier by motor vehicle could lawfully perform transportation services without additional authority. Additional permits would be issued only upon a showing that existing common carriers were unwilling or unable to provide the type of service for which a need has been shown. (S.1384 and H.R. 5123.)

The ICC points out that, under the present definition, there is no limitation on the number of shippers with whom the carrier may have contracts, and says that some contract carriers operate under so many contracts that their operation is equivalent to common-carrier service. In addition, they have an advantage over common carriers in that they are in a position to refuse any business they deem undesirable, while common carriers must accept any business offered them. This measure to restrict the operation of contract carriers is in line with the Commission's general policy of emphasizing the importance, from a public standpoint, of common carriers as distinguished from contract and private carriers.

STATUS OF SMALL POULTRY PROCESSORS IN NEW ENGLAND 1/

:
: Many small poultry processing plants in New :
: England have discontinued operation in recent :
: years and many of those now operating face serious :
: difficulties. This article describes the charac- :
: teristics of these plants and their advantages and :
: disadvantages in competing with larger plants. :
: Small plants in areas outside New England probably :
: encounter similar problems. :
:

The last two decades have brought widespread changes in production, processing, and distribution of poultry meat. Vast new commercial meat chicken areas have arisen; older areas have expanded. Improved efficiency in production methods and developments in processing machinery have facilitated large-scale operations. Mass-volume outlets such as chain stores and supermarkets have helped move the vastly expanded output. Processing has moved toward country points and away from larger cities.

Poultry processing is being concentrated increasingly in fewer and larger units. Yet there may be certain types of processing and some markets which can be serviced best by efficient small processors.

To what extent do small units exist in the poultry processing industry? What are the features of such units? What is their future?

The status and problems of small poultry processors were the concern of one phase of a study of poultry marketing in New England made by the New Hampshire and Massachusetts Agricultural Experiment Stations in cooperation with the Agricultural Marketing Service. 2/ Conclusions from the study may also apply to broader areas, because the sample area of 24 New England counties included the extremes in degree of commercialization and differences due to distance to primary markets, surplus-deficit status, and market classes. Despite the known decline in numbers of smaller processing units, 80 percent of the New England units contacted were in the very small and small groupings. 3/

1/ Prepared by George B. Rogers and Edwin T. Bardwell, Market. Res. Div., Agr. Market. Serv.

2/ A more complete description of the industry will be found in Rogers, Henry, Brown, and Bardwell, Poultry Marketing in New England. I. Characteristics of the Processing Industry. N. H. Agr. Expt. Sta. Bul. (in process).

3/ In this study a "very small" plant is defined as one slaughtering 150,000 pounds or less of poultry a year. A "small" plant, by definition, slaughters from 250,000 pounds up to 1,100,000 pounds of live poultry annually. In contrast, the average commercial plant in 1955 killed more than 6 million pounds of poultry of all classes.

Characteristics of Smaller Plants

No Overhead Lines, Split-Phase Operations, Reliance on Family Labor

Very small and small plants generally do not have overhead lines, and the processing operation involves loading and unloading the scalding by hand and manually operated drum pickers. Such plants carry on split-phase operations where the same crew is used on assembly, dressing, eviscerating, and packing at different times during the day. A common area in the plant may serve several purposes. Operations may be separated by time or to some extent by use of shields and partial partitions. The operator and his family furnish much of the labor; hired labor is kept to a minimum.

Output per man-hour usually is less for these plants than for larger ones, which substitute more and bigger automatic machinery for labor. Preliminary estimates of output per man-hour in large plants suggest economies of scale in dressing, eviscerating, and wholesale distributing. In distribution, 1 or 2 men can handle substantially larger volumes by using delivery equipment with larger capacities, in spite of generally longer hauls to market. On the other hand, some small plants with relatively small supply areas may be able to pick up poultry at a rate per man-hour which compares favorably with that of many larger plants.

Slaughtering Not Primary Business for Most

In large plants, slaughtering usually is the primary function, and other operations are directly related to it. But in the smaller plants, slaughtering frequently is a sideline to other activities such as producing poultry or retailing processed poultry. Of the 179 smallest firms contacted, 152 were primarily farmers, poultry and egg retailers, buyers of live poultry, locker plants, retail food stores, restaurants, or custom processors. But all 25 of the units classified as medium and large plants were primarily engaged in the slaughtering of poultry (tables 6 and 7).

Many of the smallest slaughtering plants are in heavily populated areas. Their number is rapidly declining under the impacts of zoning regulations, changing consumer habits, and other forces. Some plants have ceased slaughtering and eviscerating to specialize as retail poultry stores. Near large cities, in noncommercial producing areas and in areas where egg production is important, many producers continue to slaughter poultry for local retail and jobbing outlets. Small, specialized slaughterers of fowl and heavy young chickens retail and job part of their output in nearby markets but sell most of it to wholesalers.

Heavy Birds Important

On the average, almost 80 percent of the slaughter by small units consists of heavy birds such as fowl, roasters, caponettes, capons, and pullets (table 7). By emphasis on poundage, small plants can partly offset the advantage of large plants with respect to the number of head handled per man-hour. Except in areas where the major poultry enterprises are market and hatching-egg production, medium and large plants tend to specialize on broilers and fryers (table 7). Many large plants do not want fowl and related classes of poultry. They frequently confine slaughter of such poultry to their own supply flocks, working these one day a week, and are inclined to discount prices on additional offerings.

Table 6.- Chickens slaughtered, slaughtering units by type of business, and slaughter in nonspecialized plants, selected areas, New England, 1955-56

Area	Popula- tion 1950	Chickens slaugh- tered	Slaughtering units that were primarily -				Total	Percent age slaugh- tered by non- special- ized plants
			Produc- ers	Poultry and egg stores 1/	Proces- sors			
	Thou- sands	1,000 pounds	Number	Number	Number	Number	Percent	
Coos County, N. H.-								
Aroostook County, Maine:	132	263	10	1	2	13	78.3	
Central Maine 2/	256	115,527	5	4	10	19	.2	
Southeastern N. H. 3/ ...	368	32,533	18	8	15	41	1.8	
Eastern Mass. 4/	2,574	44,915	12	34	13	59	4.9	
Eastern Conn. 5/	251	64,531	8	8	6	22	.6	
Hartford-Springfield area 6/	1,007	35,842	21	23	6	50	7.4	

1/ Also live buyers, locker plants, retail food stores, restaurants, custom processors.

2/ Waldo, Androscoggin, Kennebec, Knox, Lincoln, Sagadahoc Counties.

3/ Rockingham, Hillsboro, Merrimack, Strafford, Belknap Counties.

4/ Worcester, Middlesex, Norfolk, Bristol, Plymouth Counties.

5/ Windham, Tolland, New London Counties.

6/ Hartford and Litchfield Counties, Conn.; Hampden County, Mass.

Table 7.- Percentage of total slaughter and market classes slaughtered, by size of unit, selected New England counties, 1955-56

Annual slaughter 1/	Plants reporting	Percentage of total slaughter	Percentage classed as -		
			Broilers and fryers	Heavy young chickens	Fowl
1,000 pounds	Number	Percent	Percent	Percent	Percent
Less than 150 (very small)	160	2	22	42	36
250-1,100 (small)	19	3	22	32	46
2,000-8,000 (medium) ..	11	13	61	10	29
11,000 and over (large)	14	82	75	11	14
Total or average ..	204	100	71	12	17

1/ Size groups are discontinuous because no plants of intermediate size were found.

Restricted Supply and Distribution Area;
Oriented Toward Retailing and Jobbing

Small plants obtain supplies closer to home than do large plants. Many of these units raise part or all of their supply. Others obtain their volume directly from nearby farms and from live buyers who cover a larger territory (table 8).

Most small units sell a large proportion of their output to consumers, jobbing outlets, and nearby wholesale buyers. However, small units in surplus fowl areas seek more distant wholesale outlets as do medium and large plants. Some distribute to large jobbing outlets and frequently chains (table 8).

Table 8.- Source of supply, market outlets, and distance from plant, by size of plant, 204 poultry slaughtering plants, New England, 1955-56

Size of plant	Percentage supplied by -				Percentage of supply by distance from plant		
	Own production	Independent producers	Live buyers	Contracted	0-25 miles	26-50 miles	Over 50 miles
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Very small:	35	46	19	0	3/80	3/12	3/ 8
Small:	7	66	21	6	71	19	10
Medium:	0	63	2	35	47	37	16
Large:	0	39	5	56	45	33	22
	Percentage of sales to -				Percentage sold by distance from plant		
	Consumers	Jobbers	Wholesale receivers	Other wholesale outlets	0-25 miles	26-50 miles	Over 50 miles
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Very small:	63	31	3	3	3/82	3/15	3/ 3
Small:	5	32	41	22	61	33	6
Medium:	4	20	67	9	18	45	37
Large:	0	5	68	27	8	9	83

1/ Probably includes some contract-grown birds for medium and large plants.

2/ Contracted by plant or obtained from other contractors.

3/ Data not collected on all plants in this group; estimates from a small subsample.

4/ Stores, restaurants, hotels, camps, and institutions.

5/ Chain warehouses, packer branches, jobbers, hotel and institutional supply houses.

Problems of Small Plants

Supply and Quality Control

Small independent producers furnish a large share of the volume of small processing plants. As the number of producers declines, small processors increasingly need to develop other sources and controls over supplies. The small processor can grow his own birds or establish a contract growing arrangement to control his supplies. But it may be difficult for him to use these additional resources as efficiently as large firms. Continued dependence on supplies from small, independent growers may mean marked restrictions in total supplies, particularly of some seasonal market classes. A large part of the volume of small plants may consist of fowl and young chickens from market egg strains. These may be bought and sold at a discount because of color or inferior meat characteristics. If the small processor has a fluctuating supply of market classes, size and quality, he may be unable to service many outlets satisfactorily on a regular basis. This could eventually outweigh the high degree of personal contact and goodwill he may have with his present customers.

Many consumers prefer fresh-killed native poultry and some insist on personal inspection of the live bird at the time of purchase. Although these consumers now largely maintain the sales of some small slaughterers, it is doubtful how long this type of demand will continue. Small processing units, in general, offer consumers no comparative advantages of sanitation or product wholesomeness. It may be possible for small units to produce better quality products in other respects - extra finish on each bird, for example - but for a premium price. This is not likely to be a mass market proposition.

Shrinking Outlets

Small processing units, through retailing and jobbing, can obtain a wider total operating margin, compensating in part for lack of the economies of scale accruing to large specialized processors. But the continued availability of retail and jobbing outlets to many small units is in doubt. Spread of cooperative wholesaling to small retailing outlets has restricted these outlets. A cooperative wholesaling agency usually affiliates itself with a few large sellers who can furnish all requirements.

Zoning and Compulsory Inspection

Zoning regulations may prohibit many more small processors from slaughtering in heavily populated areas. Evidence of this is particularly noticeable in towns near Boston. This would effectively cut off such units from the specialized trade they now have. Their alternatives are evisceration of poultry purchased in New York dressed form or conversion to retail shops.

The impact of a compulsory inspection program on small plants is uncertain. Many small processors may be excluded from a compulsory program by virtue of their small size, location, absence of interstate sales, or the fact that they grow all the birds they process. If they are excluded from coverage by the program for any reason, they, of course, would not have any costs of compliance. These could be high or even prohibitive in some cases. Exclusion from coverage might place their products at a disadvantage compared with inspected products in retail outlets. Inspection implies to many consumers a higher quality product. To the extent that inspection services can be provided small plants and regulations can be tailored to meet their needs reasonably well, the competitive position of the smallest processors may not be affected seriously.

Continuity

The small processor may weather short-run fluctuations of income by farming, growing birds, jobbing, retailing, and buying live poultry; by outside employment; or by use of operator and family labor. He may even continue in business over a long period of depressed earnings, because of the value he attaches to his role as an independent businessman or because of the investment he has committed. The small processing unit is usually built around one or more individuals. When they retire, the generation that follows may look for opportunities in some other line of work. Hence, the smaller unit may lack the continuity of corporate organization.

Future of Small Poultry Processors

Small poultry processors face increasing problems in terms of supplies, quality, outlets, and regulation. There are certain market situations in which efficient small units may continue to operate, although these opportunities are becoming increasingly scarce. Some producers may find retailing and jobbing eggs and poultry a desirable farm management alternative to larger output for sale to wholesalers. Some buyers probably will continue to prefer to inspect the live birds before they are slaughtered and some will pay top prices for fresh-killed native birds with the maximum finish. However, it is unlikely that this demand will continue large enough to keep many processors in business. In some areas, processing poultry for local consumption may be preferable to hauling live birds a long distance for processing, and volume may not warrant establishing large plants. If large plants continue to realize minimum costs through specialization on broilers and fryers and do not want fowl and related classes, opportunities may remain for small plants to specialize in processing such poultry.

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2. "Availability of Fresh or Frozen Ready-to-Cook Poultry," by Humbert Scott Kahle, Agr. Market. Serv. Pub. 158, Jan. 1957.
3. "Cotton Price Quotations in Designated Markets," by Joe H. McLure and Wallace L. Ashby, Agr. Market. Serv. Pub. 167, Mar. 1957.
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: Publications issued by State Agricultural Experiment :
: Stations may be obtained from the issuing Station. :
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Table 9.- Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, marketing margin, and farmer's share of retail cost, January-March 1957 1/

Product	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Margin	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket			987.93	---	---	386.32	601.61	39
Meat products			249.46	---	---	128.76	120.70	52
Dairy products			189.76	---	---	87.74	102.02	46
Poultry and eggs		Average quantities purchased	92.35	---	---	54.86	37.49	59
Bakery and cereal products	Farm produce equivalent	per urban						
All ingredients	to products bought	wage-earner	154.81	---	---	32.30	122.51	21
Grain	by urban families	and	---	28.83	4.22	24.61	---	16
All fruits and vegetables		clerical-	213.79	---	---	60.52	153.27	28
Fresh fruits and vegetables ..		worker	124.36	---	---	42.74	81.62	34
Fresh vegetables		family	66.19	---	---	19.97	46.22	30
Processed fruits and vegetables		in 1952						
			89.44	---	---	17.77	71.67	20
Fats and oils			45.70	---	---	15.29	30.41	33
Miscellaneous products			42.06	---	---	6.85	35.21	16
			Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade)	2.16 lb. Choice grade cattle	Pound	66.4	40.9	3.5	37.4	29.0	56
Pork (excluding lard)	1.82 lb. hogs	Pound	51.1	30.6	3.4	27.2	23.9	53
Butter	Cream and whole milk	Pound	74.2	---	---	47.9	26.3	65
Cheese, American processed	Milk for American cheese	Pound	57.4	---	---	29.4	28.0	51
Evaporated milk	Milk for evaporating	1 1/2 ounce can	14.3	---	---	6.5	7.8	45
Fluid milk	Wholesale fluid milk	Quart	23.9	---	---	10.8	13.1	45
Chickens, frying	Commercial broilers	Pound	45.5	---	---	25.3	20.2	56
Eggs	1.03 doz.	Dozen	51.3	---	---	33.2	18.1	65
Bread, white .....	.912 lb. wheat	Pound	18.5	3.1	.4	2.7	15.8	15
Crackers, soda	1.41 lb. wheat	Pound	28.4	4.9	.7	4.2	24.2	15
Corn flakes	1.57 lb. white corn	12 ounces	22.9	4.0	1.1	2.9	20.0	13
Corn meal	1.34 lb. white corn	Pound	12.7	3.4	.4	3.0	9.7	24
Flour, white	7.04 lb. wheat	5 pounds	54.1	24.4	3.5	20.9	33.2	39
Rice	1.68 lb. rough rice	Pound	18.5	8.0	1.1	6.9	11.6	37
Rolled oats	2.56 lb. oats	20 ounces	21.3	5.9	1.1	4.8	16.5	23
Apples	1.08 lb. apples	Pound	15.3	---	---	7.4	7.9	48
Grapefruit	1.04 grapefruit	Each	11.1	---	---	2.1	9.0	19
Lemons	1.04 lb. lemons	Pound	20.6	---	---	5.8	14.8	28
Oranges	1.04 doz. oranges	Dozen	54.5	---	---	17.7	36.8	32
Beans, green	1.09 lb. snap beans	Pound	30.3	---	---	13.3	17.0	44
Cabbage	1.10 lb. cabbage	Pound	8.9	---	---	2.3	6.6	26
Carrots	1.11 lb. carrots	Bunch	13.3	---	---	2.0	11.3	15
Lettuce	1.30 lb. lettuce	Head	16.3	---	---	5.2	11.1	32
Onions	1.06 lb. onions	Pound	8.3	---	---	2.7	5.6	33
Potatoes	10.42 lb. potatoes	10 pounds	55.9	---	---	15.0	40.9	27
Sweetpotatoes	1.12 lb. sweetpotatoes	Pound	13.5	---	---	5.3	8.2	39
Tomatoes	1.18 lb. tomatoes	Pound	30.8	---	---	9.1	21.7	30
Peaches, canned	1.39 lb. Calif. cling	No. 2-1/2 can	34.5	---	---	6.6	27.9	19
Orange juice, canned	5.38 lb. Fla. oranges for canning	46 ounce can	37.7	---	---	10.5	27.2	28
Corn, canned	2.49 lb. sweet corn	No. 303 can	17.2	---	---	2.5	14.7	15
Peas, canned .....	.69 lb. peas for canning	No. 303 can	21.4	---	---	3.2	18.2	15
Tomatoes, canned	1.84 lb. tomatoes for processing	No. 303 can	14.9	---	---	2.4	12.5	16
Beans with pork, canned .....	.35 lb. Mich. pea beans	16 ounce can	14.7	---	---	2.2	12.5	15
Orange juice concentrate, frozen	3.05 lb. Fla. oranges for frozen concentrated juice	6 ounce can	19.0	---	---	7.0	12.0	37
Strawberries, frozen .....	.51 lb. strawberries for processing	10 ounces	28.3	---	---	7.4	20.9	26
Beans, green, frozen .....	.79 lb. beans for processing	10 ounces	23.2	---	---	5.1	18.1	22
Peas, frozen .....	.70 lb. peas for freezing	10 ounces	20.0	---	---	3.3	16.7	16
Dried prunes .....	.97 lb. dried prunes	Pound	34.5	---	---	9.5	25.0	28
Navy beans	1.00 lb. Mich. pea beans	Pound	16.0	---	---	6.3	9.7	39
Margarine, colored	Soybeans, cottonseed, and milk	Pound	30.4	---	---	9.8	20.6	32
Peanut butter	1.77 lb. peanuts	Pound	53.5	---	---	19.7	33.8	37
Salad dressing	Cottonseed, soybeans, sugar, and eggs	Pint	36.7	---	---	8.1	28.6	22
Vegetable shortening	Soybeans and cottonseed	3 pounds	100.0	---	---	35.3	64.7	35
Corn sirup	1.9 lb. corn	24 ounces	24.6	4.1	.9	3.2	21.4	13
Sugar	35.60 lb. sugar beets	5 pounds	54.6	21.0	1.0	2/20.0	2/34.6	2/37

1/ Information concerning the sources of price data and calculation of net farm values, marketing margins, and the farmer's share are given in the Supplement to the July-Sept. 1953 issue of this Situation. Product groups include more items than those listed in this table. For example, the meat products group includes lamb, veal, and lower grades of beef in addition to pork and carcass beef of Choice grade.

2/ Net farm value adjusted for Government payments to producers was 23.9 cents, margin adjusted for Government processor tax was 31.9 cents, farmer's share of retail cost based on adjusted farm value was 44 percent.

7. Less than 0.5 percent.

Table 11.- Farm food products: Marketing margin and farmer's share of the retail cost, January-March 1957, October-December 1956, January-March 1956, and 1947-49 average 1/

Product	Retail unit	Marketing margin 2/						Farmer's share			
		Jan.-Mar. 1957		Oct.-Dec. 1956		Jan.-Mar. 1956		1947-49 average		Percentage change	
		from -		from -		from -		from -		from -	
		Jan.-Mar. 1957	Oct.-Dec. 1956	Jan.-Mar. 1956	1947-49 average	Jan.-Mar. 1957	Oct.-Dec. 1956	Jan.-Mar. 1956	1947-49 average		
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket		601.61	3/593.70	3/579.25	486.85	+ 1	+ 4	39	40	39	49
Meat products		120.70	3/117.97	115.32	85.09	+ 2	+ 5	52	3/53	48	67
Dairy products		102.02	3/101.06	98.88	77.49	+ 1	+ 3	46	47	46	54
Poultry and eggs	Average quantities purchased per urban wage-earner and clerical-worker family in 1952	37.49	3/ 39.09	3/ 35.96	36.34	- 4	+ 4	59	60	65	69
Bakery and cereal products		122.51	3/120.94	3/118.67	88.73	+ 1	+ 3	21	21	20	27
All ingredients		---	---	---	---	---	---	16	16	16	---
Grain		153.27	3/150.18	3/147.91	133.98	+ 2	+ 4	28	29	30	31
All fruits and vegetables		81.62	3/ 78.04	3/ 76.49	61.72	+ 5	+ 7	34	36	37	40
Fresh fruits and vegetables		46.22	3/ 41.19	3/ 42.63	29.37	+ 12	+ 8	30	3/34	35	45
Fresh vegetables		71.67	3/ 72.14	3/ 71.42	72.26	- 1	4/	20	20	3/20	21
Processed fruits and vegetables		30.41	3/29.45	3/ 27.95	33.33	+ 3	+ 9	33	33	33	36
Fats and oils		35.21	3/ 35.01	3/ 34.56	31.34	+ 1	+ 2	16	16	16	18
Miscellaneous products											
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef (Choice grade)	Pound	29.0	27.6	27.4	20.0	+ 5	+ 6	56	61	56	71
Pork (excluding lard)	Pound	23.9	3/23.6	23.0	17.6	+ 1	+ 4	53	51	45	67
Butter	Pound	26.3	3/25.7	24.6	22.0	+ 2	+ 7	65	3/65	65	72
Cheese, American processed	Pound	28.0	3/28.4	28.6	20.7	- 1	- 2	51	50	50	61
Evaporated milk	14 1/2 ounce can	7.8	7.9	7.5	6.6	- 1	+ 4	45	45	46	52
Fluid milk	Quart	13.1	12.9	12.6	9.3	+ 2	+ 4	45	46	45	53
Chickens, frying	Pound	20.2	3/21.0	20.0	---	- 4	+ 1	56	52	58	---
Eggs	Dozen	18.1	3/19.1	17.1	18.7	- 5	+ 6	65	67	72	72
Bread, white	Pound	15.8	15.6	15.0	10.9	+ 1	+ 5	15	15	15	19
Crackers, soda	Pound	24.2	23.8	23.3	---	+ 2	+ 4	15	15	15	---
Corn flakes	12 ounces	20.0	3/19.5	19.2	13.8	+ 3	+ 4	13	13	12	19
Corn meal	Pound	9.7	9.7	9.8	8.2	0	- 1	24	23	22	31
Flour, white	5 pounds	33.2	3/32.7	33.0	27.9	+ 2	+ 1	39	39	38	42
Rice	Pound	11.6	12.0	12.2	11.4	- 3	- 5	37	35	34	41
Rollad oats	20 ounces	16.5	3/14.7	15.1	10.7	+ 12	+ 9	23	24	21	34
Apples	Pound	7.9	3/ 7.4	7.5	6.1	+ 7	+ 5	48	46	45	46
Grapefruit	Each	9.0	3/10.0	8.1	7.1	- 10	+ 11	19	22	16	18
Lemons	Pound	14.8	14.6	13.0	12.0	+ 1	+ 14	28	28	30	32
Oranges	Dozen	36.8	3/43.1	32.8	34.0	- 15	+ 12	32	30	34	27
Beans, green	Pound	17.0	3/12.2	13.5	11.8	+ 39	- 8	44	3/49	39	44
Cabbage	Pound	6.6	5.6	6.8	5.0	+ 18	- 3	26	20	21	28
Carrots	Bunch	11.3	3/10.0	11.2	6.9	+ 13	+ 1	15	27	22	38
Lettuce	Head	11.1	3/11.7	9.3	8.1	- 5	+ 19	32	3/44	34	44
Onions	Pound	5.6	5.6	5.8	4.7	0	- 3	33	24	28	44
Potatoes	10 pounds	40.9	3/37.4	34.6	37.2	+ 9	+ 18	27	29	37	53
Sweetpotatoes	Pound	8.2	3/ 7.7	3/ 7.8	6.5	+ 6	+ 5	39	36	3/34	42
Tomatoes	Pound	21.7	3/17.1	21.1	---	+ 27	+ 3	30	3/37	42	---
Peaches, canned	No. 2-1/2 can	27.9	27.9	27.3	26.2	0	+ 2	19	19	22	17
Orange juice, canned	46 ounce can	27.2	3/23.3	24.7	---	- 4	+ 10	28	28	30	---
Corn, canned	No. 303 can	14.7	3/15.2	15.4	14.0	- 3	- 5	15	14	13	16
Peas, canned	No. 303 can	18.2	18.2	18.5	13.4	0	- 2	15	15	14	14
Tomatoes, canned	No. 303 can	12.5	3/12.7	12.9	13.8	- 2	- 3	16	16	15	19
Beans with pork, canned	16 ounce can	12.5	3/12.5	12.3	---	0	+ 2	15	14	16	---
Orange juice concentrate, frozen	6 ounce can	12.0	3/11.7	13.0	---	+ 3	- 8	37	40	33	---
Strawberries, frozen	10 ounces	20.9	21.2	21.8	---	- 1	- 4	26	26	28	---
Beans, green, frozen	10 ounces	18.1	17.8	3/18.7	---	+ 2	- 3	22	22	20	---
Peas, frozen	10 ounces	16.7	3/17.0	18.0	---	- 2	- 7	16	16	15	---
Dried prunes	Pound	25.0	3/23.5	3/21.9	14.3	+ 6	+ 14	28	33	3/38	38
Navy beans	Pound	9.7	10.1	9.8	10.2	- 4	- 1	39	38	40	49
Margarine, colored	Pound	20.6	19.7	19.1	27.3	+ 5	+ 8	32	33	32	31
Peanut butter	Pound	33.8	33.8	32.8	---	0	+ 3	37	37	39	---
Salad dressing	Pint	28.6	27.5	26.7	27.8	+ 4	+ 7	22	23	23	26
Vegetable shortening	3 pounds	64.7	3/62.9	56.8	25.7	+ 3	+ 14	35	35	36	37
Corn sirup	24 ounces	21.4	21.0	20.4	---	+ 2	+ 5	13	13	13	---
Sugar	5 pounds	34.6	33.3	3/32.4	29.0	+ 4	+ 7	37	38	3/38	40

1/ Information concerning the calculation of the marketing margin and farmer's share are given in the Supplement to the July-Sept. 1953 issue of this Situation. Product groups include more items than those listed in this table. For example, the meat products group includes lamb, veal, and lower grades of beef in addition to pork and carcass beef of Choice grade.

2/ The marketing margin is the difference between the retail cost and the net farm value, table 10.

3/ Revised.

4/ Less than 0.5 percent.

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